UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

PHILIPS BRYANT PARK LLC, Plaintiff, v. HFZ CAPITAL GROUP LLC, 20 WEST 40 BRYANT PARK OWNER LLC, HFZ BRYANT PARK OWNER Defendants.	**Civil Action No. 15 – CV – 2972 (JSR)** **ANSWER, AFFIRMATIVE DEFENSES AND COUNTERCLAIMS OF DEFENDANTS**

Defendants HFZ Capital Group LLC, 20 West Bryant Park Owner LLC and HFZ Bryant Park Owner LLC (collectively, "Defendants"), by its attorneys Arent Fox LLP, hereby answer the complaint filed herein by Philips Bryant Park LLC, upon information and belief, as follows.

THE PARTIES

1. Defendants are without knowledge sufficient to form a belief as to the allegations in Paragraph 1 and, therefore, deny the same.
2. Defendants admit the allegations in Paragraph 2.
3. Defendants admit the allegations in Paragraph 3.
4. Defendants admit the allegations in Paragraph 4.
5. No answer is required with respect to Paragraph 5.

JURISDICTION AND VENUE

6. No answer is required with respect to Paragraph 6 but Defendants deny that the claims asserted by Plaintiff have any basis in law or fact.
7. Defendants admit the allegations in Paragraph 7.
8. Defendants admit the allegations in Paragraph 8.

PLAINTIFF'S MARKS

9. Defendants deny that THE BRYANT PARK and THE BRYANT PARK HOTEL are famous marks. Defendants are without knowledge sufficient to form a belief as to the remaining allegations in Paragraph 9 and, therefore, deny the same.

10. Defendants admit that the documents purporting to be those mentioned in Paragraph 10 were attached as Exhibits 1 and 2 to the Complaint.

11. Defendants admit that there is a hotel located at 40 West 40th Street, New York, New York. Defendants are without knowledge sufficient to form a belief as to the remaining allegations in Paragraph 11 and, therefore, deny the same.

12. Defendants are without knowledge sufficient to form a belief as to the allegations in Paragraph 12 and, therefore, deny the same.

13. Defendants are without knowledge sufficient to form a belief as to the allegations in Paragraph 13 and, therefore, deny the same.

14. Defendants are without knowledge sufficient to form a belief as to the allegations in Paragraph 14 and, therefore, deny the same.

15. Defendants are without knowledge sufficient to form a belief as to the allegations in Paragraph 15 and, therefore, deny the same.

16. Defendants are without knowledge sufficient to form a belief as to the allegations in Paragraph 16 and, therefore, deny the same.

17. Defendants deny the allegations contained in Paragraph 17.

18. Defendants deny the allegations contained in Paragraph 18.

DEFENDANTS' ACTIVITIES

19. Defendants admit the allegations in Paragraph 19.

20. Defendants admit the allegations in Paragraph 20.

21. Defendants are without knowledge sufficient to form a belief as to the allegations in Paragraph 21 and, therefore, deny the same.

22. Defendants admit that a letter dated March 13, 2015 was attached as Exhibit 3 to the Complaint but Defendants otherwise deny the allegations in Paragraph 22.

23. Defendants admit that it established the website www.thebryantnyc.com. Defendants deny the remaining allegations in Paragraph 23.

24. Defendants deny the allegations in Paragraph 24.

25. Defendants admit that pages from Defendants' website were attached as Exhibit 4 to the Complaint and that Defendants obtained the domain "thebryantnyc.com" but Defendants otherwise deny the allegations in Paragraph 25.

26. Defendants admit that its website has a section through which persons can request information but Defendants otherwise deny the allegations in Paragraph 26.

27. Defendants admit that its website shows the upper portion of buildings on or around West 40th Street and an artist's rendering of its future property but Defendants otherwise deny the allegations contained in Paragraph 27.

28. Defendants admit that its website mentions Master Architect David Chipperfield but Defendants otherwise deny the allegations contained in Paragraph 28.

29. Defendants deny the allegations contained in Paragraph 29.

30. Defendants deny the allegations contained in Paragraph 30.

31. Defendants deny the allegations contained in Paragraph 31.

32. Defendants deny the allegations contained in Paragraph 32.

33. Defendants deny the allegations contained in Paragraph 33.

FIRST CLAIM

34. No answer is required to this paragraph. To the extent an answer is required, Defendants repeat and reallege its answers in Paragraph 1 through 34.

35. Defendants deny the allegations contained in Paragraph 35.

36. Defendants deny the allegations contained in Paragraph 36.

37. Defendants deny the allegations contained in Paragraph 37.

38. Defendants deny the allegations contained in Paragraph 38.

39. Defendants deny the allegations contained in Paragraph 39.

SECOND CLAIM

40. No answer is required to this paragraph 40. To the extent an answer is required, Defendants repeat and reallege its answers in Paragraph 1 through 39.

41. Defendants deny the allegations contained in Paragraph 41.

42. Defendants deny the allegations contained in Paragraph 42.

43. Defendants deny the allegations contained in Paragraph 43.

44. Defendants deny the allegations contained in Paragraph 44.

THIRD CLAIM

45. No answer is required to this paragraph 45. To the extent an answer is required, Defendants repeat and reallege its answers in Paragraph 1 through 44.

46. Defendants admit that Plaintiff registered two marks with the U.S. Patent and Trademark Office but Defendants otherwise deny the remaining allegations contained in Paragraph 46.

47. Defendants deny the allegations contained in Paragraph 47.

48. Defendants deny the allegations contained in Paragraph 48.

49. Defendants deny the allegations contained in Paragraph 49.

50. Defendants deny the allegations contained in Paragraph 50.

51. Defendants deny the allegations contained in Paragraph 51.

52. Defendants deny the allegations contained in Paragraph 52.

FOURTH CLAIM

53. No answer is required to this paragraph 53. To the extent an answer is required, Defendants repeat and reallege its answers in Paragraph 1 through 52.

54. Defendants deny the allegations contained in Paragraph 54.

55. Defendants deny the allegations contained in Paragraph 55.

56. Defendants deny the allegations contained in Paragraph 56.

57. Defendants deny the allegations contained in Paragraph 57.

58. Defendants deny the allegations contained in Paragraph 58.

FIFTH CLAIM

59. No answer is required to this paragraph. To the extent an answer is required, Defendants repeat and reallege its answers in Paragraph 1 through 58.

60. Defendants deny the allegations contained in Paragraph 60.

61. Defendants deny the allegations contained in Paragraph 61.

62. Defendants deny the allegations contained in Paragraph 62.

SIXTH CLAIM

63. No answer is required to this paragraph 63. To the extent an answer is required, Defendants repeat and reallege its answers in Paragraph 1 through 62.

64. Defendants admit that it registered and used its Domain Name but Defendants deny the remaining allegations contained in Paragraph 64.

65. Defendants deny the allegations contained in Paragraph 65.

66. Defendants deny the allegations contained in Paragraph 66.

67. Defendants deny the allegations contained in Paragraph 67.

68. Defendants deny the allegations contained in Paragraph 68.

69. Defendants deny the allegations contained in Paragraph 69.

AFFIRMATIVE DEFENSES

Defendants assert the following affirmative defenses based upon information presently available and they reserve the right to assert additional affirmative defenses or withdraw any of these affirmative defenses as further information becomes available.

FIRST AFFIRMATIVE DEFENSE

Plaintiff's claims should be dismissed because Plaintiff has failed to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the fact that Plaintiff lacks standing.

THIRD AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of unclean hands in that Plaintiff has engaged in inequitable conduct directly related to the subject matter of this litigation.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of estoppel.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of waiver.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of acquiescence.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by its assumption of the risk in adopting marks that lacked inherent distinctiveness, that were incapable of acquiring secondary meaning and that never acquired distinctiveness.

EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the fact that Plaintiff has abandoned any rights that its alleged marks BRYANT PARK marks ever had by engaging in a course of conduct that caused the marks to lose their distinctiveness as indicators of secondary meaning.

NINTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the fact that its registrations were procured and maintained by fraud, in that Plaintiff made willful and materially false statements to the Patent and Trademark Office ("PTO"), Plaintiff knew that those statements were false at the time they were made, the PTO relied on those materially false statements , but for those materially false statements, the PTO would not have granted the registrations relied upon by Plaintiff in this action and Defendant has been damaged by those acts of fraud.

AS AND FOR DEFENDANTS/COUNTERCLAIM PLAINTIFFS' FIRST COUNTERCLAIM AGAINST THE PLAINTIFFS FOR A DECLARATION AS TO NON-INFRINGEMENT AND RELATED CAUSES

Counterclaim Plaintiffs HFZ Capital Group LLC, 20 WEST 40 Bryant Park Owner LLC, HFZ Bryant Park Owner LLC (collectively "HFZ") hereby assert the following counterclaims against Counterclaim Defendant Philips Bryant Park ("PBP").

THE PARTIES

1. This is an action for declaratory judgment and trademark cancellation arising under 28 U.S. C. § 2201, the Trademark Act of 1946, 15 U.S.C. § 1051 et seq. and the common law.

2. HFZ Capital Group LLC, 20 West Bryant Park Owner LLC, and HFZ Bryant Park owner LLC are all limited liability companies organized under the laws of New York, and all have an address at 60 Madison Avenue, 17th Floor, New York, NY 10022.

3. PBP is, upon information and belief, a limited liability company organized under the laws of New York having a place of business at 40 West 40th Street, New York, NY 10018

JURISDICTION AND VENUE

4. This Court has jurisdiction over the subject matter of this action under Section 39 of the Trademark Act of 1946, 15 U.S.C. § 1121; 28 U.S.C. §§ 1331 and 1338; and under the doctrine of supplemental jurisdiction, 28 U.S.C. § 1367.

5. This Court has personal jurisdiction over PBP because it does business in New York within this Judicial District and because it has caused tortious injury to HFZ within this Judicial District.

6. Venue is appropriate in this judicial district pursuant to 28 U.S.C. § 1391(b), because HFZ and PBP reside within this district and a substantial part of the events giving rise to the counterclaims occurred in this district.

FACTS PERTINENT TO ALL COUNTERCLAIMS

7. PBP filed an action for trademark infringement, unfair competition, false designation of origin, trademark dilution and disparagement against HFZ.

8. PBP operates a hotel called The Bryant Park Hotel, which is located across the street from Bryant Park in New York City.

9. The complaint filed by PBP is based in part on its alleged ownership of two federal registrations containing the words Bryant Park: Reg. No. 2511172, The Bryant Park for

hotel services and Reg. No. 3420367, The Bryant Park Hotel, for hotel restaurant and bar services.

10. In its complaint, PBP claims that HFZ's proposed use of the name "The Bryant" for a condominium to be constructed on West 40th Street in New York will cause confusion with PBP's registered marks containing the words Bryant Park.

11. For many years, the Bryant Park Hotel has coexisted with several other residential and commercial buildings located near Bryant Park, including residential buildings that operate under the names Bryant Park Towers and Bryant Park Place.

12. Other buildings and businesses in or around Bryant Park use names or marks containing the words "Bryant Park," including Bryant Park Studios, One Bryant Park, Five Bryant Park, Seven Bryant Park and Bryant Park Grill.

13. PBP has never objected, upon information and belief, to the use of the names Bryant Park Towers and Bryant Park Place, nor has it objected to the use of any name or mark containing the words Bryant Park by any of the other businesses that operate in or near Bryant Park.

14. HFZ alleges that PBP has engaged in acts that give rise to a case of actual controversy within the meaning of 28 U.S.C. § 2201 and that HFZ is entitled to a declaratory judgment that its use of the name "The Bryant" in connection with the construction, sale and operation of a condominium building does not constitute trademark infringement, unfair competition, false designation of origin, trademark dilution and disparagement. Paragraphs 1 through 13 of this counterclaim are incorporated by reference as part of this counterclaim.

15. HFZ's use of the name The Bryant does not constitute unfair competition.

16. HFZ's use of the name The Bryant does not constitute use of a false designation of origin.

17. HFZ's use of the name The Bryant does not dilute or disparage any name or mark owned by PBP.

18. PBP's Reg. No. 2511172, The Bryant Park, for hotel services and Reg. No. 3420367, The Bryant Park Hotel, for hotel restaurant and bar services are invalid and should be cancelled pursuant to 15 U.S.C. § 1119.

AS FOR A SECOND COUNTERCLAIM BY DEFENDANTS/COUNTERCLAIM PLAINTIFFS AGAINST PLAINTFF FOR CANCELLATION OF REGISTRATIONS BASED ON ABANDONMENT

19. As a separate cause of action and ground for relief, HFZ alleges that to the extent use of "Bryant Park" or "The Bryant" in connection with residential real estate is confusingly similar PBP's alleged names or marks, PBP has abandoned any rights it ever had in the names The Bryant Park or Bryant Park Hotel for hotel, bar and restaurant services. Paragraphs 1-17 are incorporated by reference as part of this counterclaim.

20. Because PBP has openly acquiesced in the use of various names or marks containing the words "Bryant Park" including Bryant Park Towers and Bryant Park Place for residential condominiums and Bryant Park Grill for bar and restaurant services, PBP has engaged in a course of conduct that has caused the names The Bryant Park and Bryant Park Hotel to lose all significance as marks, within the meaning of 15 U.S.C. § 1127.

21. Because PBP has engaged in a course of conduct that caused the marks shown in its registrations to lose distinctiveness, PBP has abandoned those marks and Reg. No. 2511172, The Bryant Park, for hotel services and Reg. No. 3420367, The Bryant Park Hotel, for hotel restaurant and bar services should be cancelled pursuant to 15 U.S.C. § 1119.

AS AND FOR A THIRD COUNTERCLAIM BY DEFENDANTS/COUNTERCLAIM PLAINTIFFS AGAINST PLAINTIFF FOR CANCELLATION OF REGISTRATIONS BASED ON FRAUD

22. As a separate cause of action and ground for relief, HFZ alleges PBP's Reg. No. 2511172, The Bryant Park, for hotel services and Reg. No. 3420367, The Bryant Park Hotel, for hotel restaurant and bar services were procured by fraud and should be cancelled. Paragraphs 1-17 and 19 through 20 are incorporated by reference as part of this counterclaim.

23. When PBP applied for Reg. No. 2511172, The Bryant Park, for hotel services, it was operating a hotel on across the street from the Bryant Park in New York City.

24. As applied to its hotel services, the term "Bryant Park" describes the geographical location of PBP's Bryant Park Hotel.

25. When PBP applied to register marks containing the words "Bryant Park," PBP actually knew that the term "Bryant Park" described the geographical location of its hotel.

26. PBP never disclosed to the Examiner assigned to its application to register the mark The Bryant Park that the term "Bryant Park" was a geographical term that describes the location of its Bryant Park Hotel.

27. At the time PBP filed its applications to register marks containing the term Bryant Park, others were using names containing Bryant Park for residential and commercial buildings and other businesses.

28. PBP never disclaimed exclusive rights in the words "Bryant Park" in either of its applications for registration of The Bryant Park or Bryant Park Hotel.

29. PBP never submitted any evidence to the Patent and Trademark Office that it had made substantially exclusive use of the name Bryant Park.

30. PBP never submitted to the Patent and Trademark Office any evidence that its alleged marks had acquired secondary meaning.

31. When it filed its applications to register marks containing the geographically descriptive words "Bryant Park" PBP had actual knowledge that it had not made substantially exclusive use of the name "Bryant Park" and that others were using that name in connection with residential and commercial buildings and bar and restaurant services in or around Bryant Park in New York City.

32. In both of the applications filed by PBP to register marks containing the geographically descriptive term Bryant Park, PBP declared under penalty of perjury that it had the exclusive right to use its marks and that no other person had the right to use those marks.

33. These declarations submitted by PBP to the Patent and Trademark Office were materially false.

34. At the time PBP made its false allegations it knew they were false.

35. The Patent and Trademark Office relied on PBP's false statements in issuing to PBP registrations containing the geographically descriptive words "Bryant Park."

36. But for PBP's false statements, the Patent and Trademark Office never would have issued registrations to PBP containing the geographically descriptive words "Bryant Park."

37. HFZ has been damaged by the issuance of registrations of marks containing the geographically descriptive words "Bryant Park" to PBP.

38. Because PBP procured by fraud its Reg. No. 2511172, The Bryant Park, for hotel services and Reg. No. 3420367, The Bryant Park Hotel, for hotel restaurant and bar services, those registrations should be cancelled pursuant to 15 U.S.C. § 1119.

WHEREFORE, Defendants/Counterclaim Plaintiffs request judgment against PBP as follows:

(1) That the relief requested by PBP be denied.

(2) That the Court enter judgment in favor of HFZ dismissing all of PBP's claims.

(3) That this be declared an exceptional case within the meaning of 15 U.S.C. § 1117(a) and that HFZ be awarded all costs and reasonable attorneys' fees associated with its defense in this action.

(4) Pursuant to 28 U.S.C. § 2201, the Court issue a declaratory judgment that HFZ's use of the name The Bryant in connection with the construction and operation of a condominium building does not constitute trademark infringement, unfair competition, false designation of origin, trademark dilution and disparagement.

(5) Pursuant to 15 U.S.C. § 1119, the Court find that PBP has abandoned any rights it may have ever had in the marks shown in its trademark registrations, (Reg. No. 2511172, The Bryant Park, for hotel services and Reg. No. 3420367, The Bryant Park Hotel, for hotel restaurant and bar services) and that the Court issue an order directing that those registrations be cancelled.

(6) Pursuant to 15 U.S.C. § 1119, the Court find that PBP procured its trademark registrations by fraud and that the court issue an order directing that Reg. No. 2511172, The Bryant Park, for hotel services and Reg. No. 3420367, The Bryant Park Hotel, for hotel restaurant and bar services be cancelled.

(7) That the court grants such further relief as it deems appropriate.

Dated: New York, New York
May 11, 2015

Respectfully submitted,

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